



**CAPITAL TRADE**

**LINKS LTD.**

**CIN :L51909DL1984PLC019622**

# **POLICY ON** **PERFORMANCE** **EVALUATION**

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## **INTRODUCTION & OBJECTIVE**

The Board of Directors (“the Board”) of CAPITAL TRADE LINKS LIMITED (“the Company” or “STFC”) has formulated this policy to comply with the requirements of the Section 178(2) of the Companies Act, 2013 (“the Act”), read with Section 134(3)(p) and Section 149 of the Act, Schedule IV to the Act and Regulation 17, 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI - LODR”).

The Policy has been framed with an objective to maintain a proactive and effective Board and sets out manner for effective evaluation of performance of the Board, its committees and individual directors based on the guidelines prescribed by the Securities and Exchange Board of India in its circular dated January 5, 2017.

## **MANNER/ FREQUENCY/ CRITERIA OF PERFORMANCE EVALUATION**

### **A. Evaluation at Independent Directors’ Meeting**

The independent directors of the Company shall hold at least one meeting in a financial year without the presence of the non-Independent Directors of the Company and members of management to: (a) review the performance of non-independent directors and the Board as a whole; (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All Independent Directors shall strive to attend such meeting.

### **B. Evaluation at Board of Directors Meeting**

The evaluation of independent directors shall be done by the entire board of directors which shall include – (a) performance of the directors, excluding the director being evaluated and (b) fulfillment of the independence criteria as specified in the Act and the SEBI - LODR and their independence from the management. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

The performance of evaluation of non-independent directors shall be done by the entire board of directors, excluding the director being evaluated.

The Board shall take into consideration the following criteria's for the purpose of evaluating the performance of Independent directors, Non-Independent directors, Whole Time Director & CEO, Chairman, the Board itself, and of its committees. The list of evaluation criteria is indicative and it may be required to be amended from time to time with the changes in the duties of the directors on account of change in laws, rules, Company's Strategy, industry benchmark, etc. Change in criteria of performance evaluation, if any, shall be recommended by the Chairman of the Board and/or Chairperson of the Nomination and Remuneration Committee.

The performance evaluation will generally be carried out on annual basis. However based on the requirement such as, extension/continuation of tenure, re-appointment of the director, etc., the performance evaluation may be conducted more than once in a year.

During the evaluation of performance of any director/committee/Board, if it is observed that there is further scope of improvement the Board/ Nomination and Remuneration Committee may suggest the Action Plan to address the matters and timelines to implement the Action Plan. The Company will organise resources.

### **I. Evaluation of performance of Independent Directors**

<b>Criteria for Evaluation</b>					
<b>Sr. No.</b>	<b>Particulars</b>	<b>Rating Scale [please tick (√) mark]</b>			
		<b>Outstanding</b>	<b>Very Good</b>	<b>Good</b>	<b>Satisfactory</b>
1	Commitment to Company's vision				
2	Level of participation at Board/Committee Meeting				
3	Level of engagement and contribution				
4	Independence of judgement				
5	Understands duties, responsibilities, qualifications, disqualifications & liabilities as an Independent Director				

6	Upgrades knowledge /information pertaining to business of the Company in which the Company is engaged in				
7	Ensures implementation of good corporate governance practices				
8	Enhancing long term shareholders' value				
9	Professional approach				
10	Provides guidance and counsel to senior management in strategic matters				
11	Rendering independent and unbiased opinion at the meetings				
<b>Overall rating of performance of Independent Director</b>					

**II. Evaluation of performance of Non-Executive Non-Independent Director except Whole Time Director & CEO**

<b>Criteria for Evaluation</b>					
<b>Sr. No.</b>	<b>Particulars</b>	<b>Rating Scale [please tick (√) mark]</b>			
		<b>Outstanding</b>	<b>Very Good</b>	<b>Good</b>	<b>Satisfactory</b>
1	Commitment to Company's vision				
2	Level of Participation at Board/Committee Meeting				
3	Level of engagement and Contribution				
4	Ensures implementation of good corporate governance practices				
5	Enhancing long term shareholders' value				
6	Professional approach				
7	Provides guidance and counsel to senior management in strategic matters				
8	Initiatives in terms of new ideas and planning towards growth of the Company				
<b>Overall rating of performance of Non-Executive Director except Whole Time Director &amp; CFO</b>					

### III Evaluation of performance of Whole Time Director & CFO

Criteria for Evaluation					
Sr. No	Particulars	Rating Scale [please tick (√) mark]			
		Outstanding	Very Good	Good	Satisfactory
1	Commitment to Company's vision				
2	Leadership				
3	Implementation of good corporate governance				
4	Initiative in terms of new ideas and planning for the Company				
5	Reporting of frauds, violation etc.				
6	Safeguarding of interest of whistle blowers under vigil mechanism				
7	Professional skills, problem solving, and decision-making				
8	Enhancing long term shareholders value				
9	Safeguard the interest of all other stakeholders				
10	Strategy formulation				
11	Strategy execution				
12	Accurately identifying and analyzed problems and issues confronting the Company.				
13	Financial planning/performance				
14	Openness to ideas of senior management				
15	Ensuring the effectiveness of organizational performance				
16	Human resources management/ relations				
17	External relationship including effective interaction with media, industry forums, regulatory bodies, etc.				
18	Product/Service knowledge				
19	Personal qualities				
20	Ensuring that the Board is kept informed about all the issues concerning the Company				
<b>Overall rating of performance of Whole Time Director &amp; CEO</b>					

#### IV Evaluation of performance of Chairman

Criteria for Evaluation					
Sr. No.	Particulars	Rating Scale [please tick (√) mark]			
		Outstanding	Very Good	Good	Satisfactory
1	Leadership				
2	Commitment to Company's vision				
3	Independence of judgment				
4	Ensuring maximum participation and contribution by each Board member & openness to ideas				
5	Ensuring implementation of good corporate governance practices				
6	Enhancing long term shareholders' value				
7	Safeguard the interest of all other stakeholders				
8	Professional approach				
9	Provides guidance and counsel to senior management in strategic matters				
10	Provides overall direction to Board towards achieving Company's objectives				
11	Maintaining critical balance between the views of different Board Members				
12	Ensures effective interaction with Shareholders in the Annual General Meeting				
13	Manages meetings effectively and promotes a sense of participation in all the Board meetings.				
14	Promotes effective participation of all Board members in the decision making process.				
<b>Overall rating of performance of Chairman</b>					

## V Evaluation of performance of Board

Criteria for Evaluation					
Sr. No	Particulars	Rating Scale [please tick (√) mark]			
		Outstanding	Very Good	Good	Satisfactory
1	Board composition & quality				
2	Frequency of Board Meetings and procedures				
3	Board and management relations				
4	Commitment to Company's vision				
5	Level of engagement and contribution				
6	Implementation of good corporate governance				
7	Framing/Reviewing policies on periodic basis				
8	Deliberation's at Board Meeting				
9	Enhancing long term shareholders' value				
10	Safeguard the interest of all other stakeholders				
11	Openness to ideas				
12	The amount of time spent on discussions on strategic and general issues and engagement with management in the strategic planning process				
13	How effectively does the Board works collectively as a team in the best interest of the company?				
14	The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings.				
15	Monitoring the implementation of the longterm strategic goals.				
16	Monitoring the company's internal controls and compliance with applicable laws and regulations.				
17	Approval of annual budget of the Company and comparison of annual financial resultsvis-à-vis budget on annual basis.				
<b>Overall rating of Board Performance</b>					

## VI Evaluation of performance of the Committee

Criteria for Evaluation					
Sr. No	Particulars	Rating Scale [please tick (√) mark]			
		Outstanding	Very Good	Good	Satisfactory
1	Composition of Committees				
2	Frequency of meetings of Committee				
3	Participation of members in Committee meetings				
4	Implementation of terms of reference				
5	Feedback to the Board				

### DISCLOSURE

The necessary disclosures in this regard will be made in the Directors' report and the Corporate Governance Report as per the requirements of the Act, SEBI- LODR and SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated May 10, 2018.

### REVIEW

The Board/Nomination and Remuneration Committee will periodically review the above policy.